

SO ORDERED.**SIGNED this 18th day of July, 2024.**


 LENA MANSORI JAMES
 UNITED STATES BANKRUPTCY JUDGE

**UNITED STATES BANKRUPTCY COURT
 FOR THE MIDDLE DISTRICT OF NORTH CAROLINA
 GREENSBORO DIVISION**

IN RE:)	
)	
Chadley Capital, LLC,)	Case No. 24-10170
)	
Debtor.)	Chapter 7
)	

ORDER

**RELEASING WILLIAM RHEW, III FROM THE CUSTODY OF THE UNITED STATES MARSHAL
 SERVICE AND CONDITIONALLY WAIVING ACCRUED DAILY FINES**

This matter came before the Court on July 18, 2024 for a status hearing on William Rhew, III's contempt of this Court's Order Granting Motion for Turnover (Docket No. 33, the "Turnover Order"). Rhew and his attorney, Joshua Bennett, were present at the hearing as well as Brian Anderson, the chapter 7 trustee (the "Trustee"), and John Paul Hughes Cournoyer, the Bankruptcy Administrator.

The Trustee reported that Rhew continues to respond promptly to requests for information, has met in person to facilitate ongoing access to email accounts, and provided extensive testimony at the Section 341 meeting of creditors. Rhew also complied with the Court's request to file a sworn declaration describing the acquisition, location, and use of the cryptocurrency wallets and passphrases at issue in the Turnover Order and identified in his previous testimony. (Docket No. 112, the "Declaration"). Rhew also provided a signed declaration from his father pledging to provide Rhew with \$34,521.87 to pay the compensatory sanctions the Court awarded to the Trustee. (Docket Nos. 115, 123).

Having considered the circumstances of the case, Rhew's cooperation with the Trustee, and the intended goal of coercive sanctions, the Court finds cause to modify the sanctions it has imposed in this case. Specifically, upon Rhew's successful delivery of \$34,521.87 to the Trustee, the Court will exercise its discretion and waive the accrued outstanding total of daily fines in the amount of \$22,500.00. The Court will also end Rhew's conditional release period from the custody of the United States Marshal Service (the "USMS"). The Court, however, reserves the right to reimpose coercive incarceration or daily fines as additional circumstances warrant.

Accordingly, IT IS HEREBY ORDERED as follows:

1. William Rhew, III is released from the custody of the USMS.
2. The \$22,500.00 in accrued outstanding daily fines is waived, contingent upon the Trustee's receipt of \$34,521.87 in compensatory sanctions. In the event Rhew fails to make such payment within 30 days after entry of this Order, the Trustee is directed to file a notice on the case docket so stating.
3. The Court will set a further hearing to assess the propriety of additional coercive sanctions, including daily fines and incarceration, in the following circumstances:
 - a. Rhew fails to deliver the \$34,521.87 compensatory sanctions to the Trustee within 30 days of this Order;
 - b. the Trustee obtains additional information that calls into question the veracity of Rhew's Declaration or testimony; or
 - c. the Trustee obtains additional information leading him to believe that Rhew has withheld access to, or information pertaining to, the cryptocurrency assets described in the Turnover Order.

END OF DOCUMENT

PARTIES TO BE SERVED

Chadley Capital LLC

Case No. 24-10170

John Paul Hughes Cournoyer, Bankruptcy Administrator
via cm/ecf

Brian Richard Anderson, Trustee
via cm/ecf

Robert A. Cox, Jr. on behalf of Petitioning Creditors
via cm/ecf

James R. Irving on behalf of Petitioning Creditors
via cm/ecf

Joshua H. Bennett on behalf of William Lamar Rhew, III
via cm/ecf

Chadley Capital LLC
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